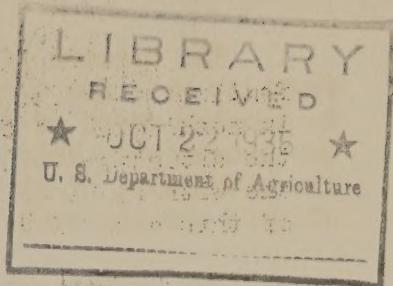


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THE AAA COTTON PROGRAMS

Critics of the adjustment programs point out that millions of acres of cotton were plowed under at a time when millions of persons were in need of clothing. The facts show that the plow-up did not curtail the supply of cotton for clothing.

The accumulation of cotton, of wheat, of almost every farm commodity in 1932 did not prevent the breadlines from being longer than they probably ever were before or have been since. Neither did the cotton surplus relieve the need for clothing among the poor.

The cotton plow-up of 1933 was an emergency step, which, from all available facts, materially benefited the cotton producers of the country. As has been stated, it did not cause a scarcity of cotton available for clothing. Even after the plow-up, surpluses of cotton were still burdensome.

In 1929, the world carryover of American cotton was around five million bales, and in 1932 it was almost thirteen million bales. This supply had piled up despite exports of more than eight million bales in 1932 and nearly eight million bales in 1933.

The price had declined while the carryover was accumulating, a natural result of the effect of excessive supplies. The average price per pound was around 18 cents in 1928. It was about 16.8 cents in 1929 but in 1930 it fell to 9.46 cents and in the face of a 17,000,000 bale crop in 1931, it declined below 6 cents. The cash income from the cotton crop of 1931 was around \$528,000,000, an extremely low figure. It was even less in 1932, being approximately \$464,000,000.

The economic effect of this decline in income in an area so largely dependent on one crop, in turn affected merchants, professional people, manufacturers of commodities sold to farmers, and directly or indirectly, the entire population, not only of the cotton States but the United States as a whole. The necessity for cash was so imperative that the acreage in 1933 expanded over that in 1932. Farmers were endeavoring to make up in volume what they lacked in price.

The Agricultural Adjustment Act was signed May 12, 1933, and at that time a cotton crop of 41,000,000 acres was growing. All indications were for a heavy yield, and this taken together with the sizeable acreage pointed to another crop in the neighborhood of 17,000,000 bales.

The opinion of cotton growers, economists, business men and officials familiar with the situation in 1933 was that another huge crop would result in nothing short of disaster, and that a drastic step should be taken to meet the situation. This step was the cotton plow-up campaign which resulted in the withdrawal of approximately 10,500,000 acres. The estimated production of this acreage would have been close to 4,500,000 bales of cotton.

The cotton plow-up was entirely voluntary. Growers were paid to reduce the size of their crop. The farm value of the 1933 crop, including seed, lint and payments was \$924,531,000, an increase of almost 100 percent over the income to growers in 1932.

Even though the farmers' return from the 1933 crop of cotton had increased materially, the plow-up did not cause a scarcity of cotton. The world carryover of American cotton was 10,634,000 bales at the beginning of 1934. The plow-up merely prevented a gross overproduction which would have glutted the market and piled higher a surplus that would have been disastrous to the farmer.

Some contend that there is no such thing as overproduction of farm products and can not be as long as there are people in the world who suffer for food and clothing. On the same line of reasoning it can be argued that the production of automobiles will be inadequate until every man and woman and every boy and girl of high school age owns one. There is overproduction, so far as the producer is concerned, whenever the quantity produced can not be marketed at a price which will cover all production costs and leave the producer enough to cause him to continue production. And whenever there is such overproduction the output will be reduced either by conscious effort on the part of the producers or by the operation of economic laws which drive the less efficient producers out of business.

A brief review of the figures will show how the farmers' income from cotton increased from 1932 to the present. In 1932 the farm value of the cotton crop was approximately \$484,000,000. In 1933 the farm value of the crop, including lint, seed and payments amounted to \$924,531,000, and in 1934 it was \$860,389,000. The 1935 figure of \$912,554,000 was about the same as for the 1933 crop. Returns to producers in 1936 promise to exceed those received for any crop since that of 1929.

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